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Market Analysis - May 04, 2005

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Soybeans futures have finally started to loose the strength that it had built up over the last few weeks. The new crop futures were down about 9 cents last week despite the fact we had some friendly crush numbers (149.7 million bushels, a million over expectations) and supportive export numbers. Perhaps even more baffling was report of rust found in Georgia which should have pushed prices further but instead prices dropped. Perhaps traders simply believe that the market is overvalued due to a large carryover domestically and globally. Basis bids remain firm this week in the market. The South American crop continues to fall with an announcement last Friday that the Brazilian crop was now at 50.85 million metric tons compared to the March estimate of 51.95. On Tuesday the beans fell a bit due to lack of speculative activity. Glancing at the charts one would have to say that the short run looks like a 'sideways' market and the long term an 'up' market. Basis levels should continue to firm too because of slow producer selling. The corn market is acting like a weather market and although weather changes have been relatively minor the prospect of moving from potential planting delays to good planting possibilities have sent prices all over the place. The current planting pace should justify a slight increase in the yield estimate on the USDA report to be released on May 12th. On Monday corn slipped down and traders are expecting this market to trade in a sideways fashion between now and June. Basis bids are steady to firm with little activity as bids have been rolled into the summer period. On Tuesday we saw yet more speculative selling and the funds offloaded about 20,000 contracts mid week. Wheat had a different experience than the other two last week with gains of about 7 to 13 cents among the three exchanges. Fund buying combined with concerns for cooler temperatures was behind the price rise. That price rise was short lived as speculators offloaded their positions on Monday but the 10 day moving average was not broken so that lessened the likelihood of a sell off but by Wednesday the wheat bulls were taking it on the chin as the chance of bad weekend weather was not as bad as was feared. All eyes this week will be on the upcoming USDA report.

SIS TABLE

	CORN BASIS		SOYBEAN	N BASIS	WHEAT BASIS					
LOCATION	CASH (May05)	NEW(Dec05)	CASH (May05)	NEW(Nov05	CASH(May05)	NEW(Jul05)				
Western MD	+38	n/a	-37	n/a	-8	n/a				
Central MD	+34	+3	-44	-44	+55	-18				
Southern MD	+3	-15	-33	-30	-15	-37				
Upper E. Sh	+16	-2	-20	-25	n/a	-38				
Lower E. Sh	+25	-7	-9	-16	-15	-38				

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS SERVICE

Cool weather prevailed last week and mostly dry conditions allowed planting to progress. Air temperatures were in the 70's with scattered precipitation reported. **There were 5.4 days suitable for field work. Corn** planting advanced to 30 percent complete, nearly double the progress of a week earlier. **Small grains** were beginning to develop and were reported in mostly good to excellent condition. **Barley** was rated 4 percent poor, 16 percent fair, 53 percent good, and 27 percent excellent. **Winter wheat** was rated 3 percent poor, 15 percent fair, 60 percent good, and 22 percent excellent. **Pasture** was rated 13 percent poor, 16 percent fair, 44 percent good, and 27 percent excellent while **hay supplies** were rated 8 percent very short, 21 percent short, 66 percent adequate, and 5 percent surplus.

 $For a complete copy of the Crop Weather Summary go to: \underline{http://www.nass.usda.gov/md/rlsetoc.htm\#Crop}$

CASH GRAINS - REGIO	ONAL - (\$/bi	u) DEALER	S AVERAC	GE CASH QU	JOTES			
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Ďate	4/26	05/03	4/26	05/03	4/26	05/03	4/26	05/03
Western Md	2.35	2.35	5.89	5.82	3.08	3.00	1.79	1.78
Central MD	2.38	2.31	5.93	5.75	3.56	3.63	2.05	2.05
Southern MD	2.13	2.00	6.02	5.86	2.98	2.93		
Upper E. Shore	2.26	2.13	6.15	5.99				
Lower E. Shore	2.35	2.22	6.26	6.10	3.12	2.93	1.54	1.49
Soybean Meal	bean Meal Lower Eastern Shore Dealer's Average Cash quotes (\$/ton)						/ton)	
Date	Date 4/26		05/03 Date		ate	4/26		05/03
48% Sovbean Meal 235.00			227.00	0 44% Sovbean Meal		223.00		215.00

FORWARD CONTRACT PRICE-REGIONAL (\$/BU) for Harvest delivery Dealer's Avg Quotes									
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley		
Date	4/26	05/03	4/26	05/03	4/26	05/03	4/26	05/03	
Western Md									
Central MD	2.42	2.26	5.88	5.75	3.32	3.17			
Southern MD	2.23	2.08	6.01	5.89	3.14	2.98	1.55	1.50	
Upper E Shore	2.36	2.21	6.06	5.94	3.13	2.97	1.55	1.50	
Lower E Shore	2.44	2.30	6.15	6.03	3.13	2.97	1.54	1.49	

Corn		Soybeans		Wheat		Soybean Meal ¹	
05May	197.00	05May	618.60	05May	308.20	05May	192.40
05Jul	205.00	05Jul	625.40	05Jul	317.60	05Jul	191.80
05Sep	213.00	05Aug	625.40	05Sep	326.00	05Aug	192.10
05Dec	223.00	05Sep	620.40	05Dec	335.20	05Sep	191.00
06Mar	230.60	05Nov	619.20	06Mar	344.40	05Oct	190.00
06May	235.40	06Jan	620.40	06May	346.00	05Dec	190.50

New Holland	d, PA - \$/to	n - May 02, 2005 -	91 Loads				
Alfal 75.00-27	fa	Mixed H 60.00-220	ay	Timothy 75.00-230.00	Orchard 50.00-1		Straw 110.00-215.00
Westminster	r, MD - \$/ba	ale - May 03, 2005	-140 Lots				
Alfali		Alfalfa Mix	Timothy	Timothy M	lix	Grass Mix	Straw
1.30-5		1.80-3.20	1.15-3.90	•		1.10-3.90	1.90-3.50
		- Week Ending - M		1.10 2.00		1.10 3.70	1.90 3.30
POULTRY	(Grade A) ·						
			<u>ıt Week</u>	Week Ago		nth Ago	Year Ago
NY Wtd Avg	g. (Fryers)	71	.12	71.59	,	72.75	76.36
12 City Com	posite	72	.63	73.02	,	73.65	76.05
LAMBS - W	estminster	, MD - \$/cwt - May	03, 2005				
Lambs 30	0- 60 lbs	110.00-202.50			Sheep	48.	00-90.00
70	0-110 lbs	100.00-155.00			Fat	32.	00-47.50
		S HOGS - May 03,	2005	DIRECT MARKET			
Base Price Ra		Carcass Basis	Sows (1-3)	DIRECT WITHRET	HOGD - WE	5thinister, 1415 - 14	1ay 05, 2004
a.m	_	Base 185 lb Hog	300-449 lbs	Butcher Hog	J S	33.50-40.00	
	•	Dusc 102 in 110g	200 442 105	Sows	(Big)	41.50-45.00	
Iowa, Minn		68.00-79.00	32.00-45.68	Small & Thi		29.00-36.50	
Eastern Corn	belt	62.00-78.00	32.46-44.25	Millsboro, DE Mark			
			12		· σ Β σ (ψ/	, 1.0At Sulo	, + -
FEEDER PI	1	ı) -					
Gumboro, D				New Holland, P			
Head:	Trend:	None		Head: None	Tren	d: All went to sl	aughter
	No	ext Sale 5/17/05					
CAPPET E I		DEC CIT M	49. 15. 1	HOGGIEANI			T. 1
(\$/cwt) - Ma	v 03, 2005	RES-Chicago Mer	cantile Exchang	e HOGS-LEAN F (\$/cwt) - May 0.	3. 2005	hicago Mercantilo	e Exchange
May05	90.00	Oct05	86.20	May05	78.63	Aug05	75.68
Jun05	85.40	Dec05	87.33	Jun05	76.58	Oct05	64.33
Aug05	86.13	Feb06	87.73	Jul05	77.93	Dec05	61.25
		CATTLE - (\$/cwt		34103	11.73	DCC03	01.23
Winchester,			.)	Westminste	er, MD - May	v 03 2005	
	•	•	20.144.00		•	· · · · · · · · · · · · · · · · · · ·	120 00 141 00
Steers			00-144.00	Steers M&	L	200-300 lbs	130.00-141.00
			00-140.00			400-500 lbs	95.00-127.50
			00-136.50			600-700 lbs	110.00-119.00
			00-125.75	Heifers M&	&L	200-300 lbs	110.00-145.00
			75-115.50			400-500 lbs	99.00-130.00
	800-		50-103.00			700 lbs	74.00- 75.00
	900-	-1100 lbs 94.:	50- 97.00	Farm Calve	es		
Heifers	300-	400 lbs 118.0	00-133.50	Holstein Bu	ılls #1		167.50-190.00
	400-	500 lbs 117.	50-126.50		#2		117.50-150.00
	500-	600 lbs 110.0	00-123.00	Holstein Ho	eifers #1		510.00-570.00
	600-	700 lbs 98.	50-118.00		#2		340.00-410.00
			50-103.00	Beef Cross			130.00-245.00
			00- 99.50				
Lancaster N		d & Vintage - Wee		07, 2005			
Bull, Hols	tew Homan	N/A	k Ending - May		lainer	N/A	
Heifers, Hols	3	N/A			lainer	N/A	
SLAUGHTI				1.	x-	4	
Westministe							
Fed Steers	,	J		Fed Heifer	rs		
Ch		93.50-96.5	0	LCh	-		88.50- 91.75
LCh		93.30-96.3 82.00-88.2		Veal Calve	ne		00.30- 91./3
Select		82.00-88.2 76.50-78.0		Veal Calv Weak/Rou			50.00-107.50
Cows		10.50-16.0	•	vv can/ Nou	Pm 111111		50.00-107.50
	ισ	65.50-70.0	n				
High Dracein	·6	58.75-61.2					
High Dressin		30.73-01.2					
Utility		15 00 56 5	()				
Utility Canners		45.00-56.5					
Utility Canners Shelly	J TT 11	43.50-Dow	n	07. 2005			
Utility Canners Shelly Lancaster, N		43.50-Dow d & Vintage - Wee	n k Ending - May				
Utility Canners Shelly Lancaster, N Steers, Choice	ce 2-3	43.50-Dow d & Vintage - Wee 11	n k Ending - May 35-1495 lbs	90.50-93.00			
Utility Canners Shelly Lancaster , M Steers, Choic Heifers, LCh	ce 2-3 oice, 1-3	43.50-Dow d & Vintage - Wee 11 10	n k Ending - May	90.50-93.00 85.00-89.00			
Utility Canners Shelly Lancaster, N Steers, Choice	ce 2-3 oice, 1-3	43.50-Dow d & Vintage - Wee 11 10 et lean	n k Ending - May 35-1495 lbs	90.50-93.00			

For more information about this report, call 410-841-5740 or write: